

1 JOSEPH P. MCMONIGLE, Bar No. 66811  
2 JOHN B. SULLIVAN, Bar No. 238306  
3 DAVID S. MCMONIGLE, Bar No. 258980  
4 LONG & LEVIT LLP  
5 465 California Street, Suite 500  
6 San Francisco, California 94104  
7 Telephone: (415) 397-2222  
8 Facsimile: (415) 397-6392  
9 Email: jmcmonigle@longlevit.com  
10 jsullivan@longlevit.com  
11 dmcmونigle@longlevit.com

12 Attorneys for Respondent  
13 HOSIE RICE LLP

14  
15 **IN THE UNITED STATES DISTRICT COURT**  
16 **NORTHERN DISTRICT OF CALIFORNIA**

17 SPACE DATA CORPORATION,

18 Case No. 4:20-cv-08256-JSW

19 Petitioner,

20 **DECLARATION OF SPENCER**  
21 **HOSIE IN SUPPORT OF HOSIE**  
22 **RICE LLP'S CROSS-MOTION TO**  
23 **CONFIRM ARBITRATION AWARD**  
24 **AND OPPOSITION TO AMENDED**  
25 **PETITION TO VACATE**  
26 **ARBITRATION AWARD**

27 v.

28 HOSIE RICE LLP,

REDACTED VERSION OF DOCUMENT SOUGHT TO BE SEALED

Action Filed: November 25, 2020

JOSEPH P. MCMONIGLE, Bar No. 66811  
JOHN B. SULLIVAN, Bar No. 238306  
DAVID S. MCMONIGLE, Bar No. 258980  
LONG & LEVIT LLP  
465 California Street, Suite 500  
San Francisco, California 94104  
Telephone: (415) 397-2222  
Facsimile: (415) 397-6392  
Email: jmcmonigle@longlevit.com  
jsullivan@longlevit.com  
dmcmonigle@longlevit.com

**Attorneys for Respondent  
HOSIE RICE LLP**

**IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

## SPACE DATA CORPORATION,

Petitioner,

V.

HOSIE RICE LLP,

## Respondent.

Case No. 4:20-cv-08256-JSW

**DECLARATION OF SPENCER  
HOSIE IN SUPPORT OF HOSIE  
RICE LLP'S CROSS-MOTION TO  
CONFIRM ARBITRATION AWARD  
AND OPPOSITION TO AMENDED  
PETITION TO VACATE  
ARBITRATION AWARD**

Action Filed: November 25, 2020

1 I, Spencer Hosie, declare as follows:

2       1. I am an attorney at law duly licensed to practice law in the State of  
 3 California. I am a partner of the firm Hosie Rice LLP, where I concentrate my  
 4 practice on intellectual property, antitrust, energy, and business tort litigation. I have  
 5 personal knowledge of the facts stated herein, and if called as a witness in this  
 6 matter, I would and could testify competently to the following facts.

7       2. Hosie Rice LLP is a California limited liability partnership with its sole  
 8 office in San Francisco, CA. I, and the firm's only other partner, Diane Rice, are  
 9 both domiciled in California.

10      3. In March 2017, we entered our appearance as Space Data counsel,  
 11 replacing the Pillsbury firm. I understand that the Pillsbury firm also has claimed to  
 12 be owed substantial fees by Space Data related to the underlying Google action.  
 13 We carefully negotiated a "hybrid" representation agreement, with reduced hourly  
 14 fees due monthly, plus a reduced contingency.

15      4. From March 2017 through July 2019, we represented the client  
 16 zealously. The *Space Data Corporation v. Google, Inc.* case was complex, and  
 17 Google fought every issue with great vigor (as—in our experience—is its practice).  
 18 Over the years of litigation, there were many dozens of days of deposition, close to  
 19 60 motions, and millions of pages of documents exchanged. It was in every way a  
 20 massively complex and time-consuming patent and trade secret case.

21      5. By early 2019, the relationship between me and the Space Data C.E.O.,  
 22 Jerry Knoblach was strained. From the month Knoblach signed the Representation  
 23 Agreement forward, Space Data failed to pay its bills. This became a constant  
 24 problem, with Space Data often close to a year and seven figures delinquent. This  
 25 caused considerable tension.

26      6. By early 2019, Jerry Knoblach was forwarding emails suggesting that  
 27 the Google case had a settlement value of perhaps \$1 billion. As counsel, we  
 28 strongly disagreed with Knoblach's settlement analysis and valuation. We so stated

1 in numerous memoranda, which we sent to Knoblach and the Space Data Board.  
 2 While Jerry Knoblach's father was the majority Space Data shareholder, there were  
 3 numerous minority shareholders who had invested millions of dollars in the  
 4 company.

5       7. Throughout the spring, Jerry Knoblach sought counsel offline from one  
 6 of his oldest friends and college roommate, Eric Liebeler. Liebeler had been an in-  
 7 house lawyer for many years, and had recently joined the Stinson firm in  
 8 Washington, D.C. Liebeler is not a patent lawyer.

9       8. By early July, Knoblach and the Space Data Board directed Hosie  
 10 Rice—its outside counsel and the only Space Data counsel on the docket—to  
 11 communicate on settlement only with Liebeler. Liebeler would then brief Knoblach  
 12 outside of Hosie Rice's presence and then purport to relay the Knoblach's views to  
 13 Hosie Rice. We objected to this unusual and dangerous protocol, but to no avail.

14       9. After unstinting work, we reached a settlement of the Google trade  
 15 secret claims in late July 2019 that also permitted Space Date to pursue an appeal of  
 16 a prior summary judgment decision regarding its patent claims. I understand that  
 17 Stinson handled the appeal and that Space Data did not prevail. As of the date of the  
 18 settlement, Space Data owed Hosie Rice [REDACTED] in long-accrued but unpaid  
 19 hourly fees and costs. Within days of the settlement, it became clear that Space Data  
 20 did not intend to pay the firm its fees.

21       10. In early August, we filed a fee arbitration to be paid.

22       11. After a many month arbitration, the Arbitrator awarded the Firm most  
 23 but not all of its accrued but unpaid hourly fees and costs—[REDACTED] of the [REDACTED]  
 24 [REDACTED] due. This ruling meant that the Firm was out-of-pocket on [REDACTED] of  
 25 expended time (at a cover-the-cost break-even discounted rate) and outside costs. As  
 26 a consequence, the Firm then had to go out-of-pocket to pay costs due. It did. This

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1 included paying approximately \$350,000 to Nera in April and May. The firm also  
2 entered a promissory agreement to pay the remaining \$225,000 owed. Hosie Rice  
3 and NERA agreed in the document that the amount owed is Hosie Rice's obligation  
4 and not a Space Data obligation. To my knowledge, NERA has not made any  
5 demands of Space Data for that outstanding amount.

6           12. Shortly after Judge Robinson issued the Final Award, Hosie Rice  
7 distributed to Space Data the [REDACTED] it was entitled to under the Final Award.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on January 8, 2021 at Ketchum, Idaho.

SPENCER HOSIE